

Economic Development Proposal
Yingli Green Energy Americas
March 2010

Late Backup

Economic Development Proposal

- The purpose of today's briefing is to present the following:
 - A background of the economic development proposal and timeline for future City Council meetings
 - An overview of Yingli Green Energy Americas
 - A review of the economic development matrix criteria and score
 - A summary of the WebLOCI fiscal impact analysis
 - A compilation of the overall benefits from this economic development proposal
 - A review of the proposed economic development agreement

+ Background

What is being considered and when?

- A proposed economic development agreement between the City of Austin and Yingli Green Energy Americas to locate its North American Headquarters, create jobs, and make investments in Austin.
- The economic development proposal is being presented over two City Council meetings:
 - March 3, 2010 – At a specially-called City Council meeting, EGRSO will provide a briefing on the economic development proposal to the City Council and the public.
 - March 11, 2010 – The economic development proposal will be placed on the City Council regular meeting agenda as a public hearing item and action item.

+ Yingli Green Energy Americas

Company overview

- Publicly-traded subsidiary of Yingli Green Energy Holding Company, Ltd., incorporated in 2009 (parent company was established in 1998)
- Largest vertically integrated manufacturer of crystalline silicon photovoltaic panels in the world.
- Yingli Green Energy Holding Company, Ltd. is based in Baoding, China.
- Company was recently awarded a \$4.5 million Department of Energy grant.
- In September 2009 the company was awarded Global Renewable Energy Award, often referred to as the “Green Oscar.”
- Company is a clean technology leader, which is a target industry

+ Economic Development Proposal

What criteria and analysis were used?

- Economic Development Matrix as approved by City Council
 - The matrix is a scoring tool that assesses firms using the following five categories of criteria:
 - Overall economic and fiscal impact
 - Linkages to the local economy
 - Infrastructure impact
 - Character of jobs and labor force practices
 - Quality of life and cultural vitality
- WebLOCI fiscal impact analysis as approved by City Council
 - WebLOCI is a tool that over 300 chambers of commerce and local governments use to determine the fiscal impact of an economic development project.
 - Developed in 1999 by Georgia Institute of Technology

+ Economic Development Matrix

What is the score for this project?

- Yingli scored 65 out of 100
- The score is reflective of the following:
 - Yingli will establish a North American Headquarters in Austin
 - Yingli will create 303 new jobs in Austin within three years.
 - Yingli offers health insurance benefits, domestic partner benefits, and job training for its employees

+ WebLOCI Fiscal Impact Analysis

The financial benefits and costs of this project

- The fiscal impact analysis represents only direct benefits and costs as a result of the project and jobs created.
- Total benefits over a 10-year period = \$6.4 million
- Total costs over a 10-year period = \$5.5 million *
- Total net benefit (\$6.4 - \$5.5) = \$903,000 (rounded)

* This cost figure is net cost which includes a performance-based economic development grant estimated at \$354,561.

+ Overall Benefits

What does this economic development proposal offer?

- The City of Austin targets the recruitment of regional headquarters and clean energy companies, both of which apply to the Yingli proposal
- 303 jobs created in Austin
- \$19.85 million company investment in leasehold improvements and business personal property
- Positive financial benefit to the City according to WebLOCI
- Employees are offered health insurance benefits, including domestic partner benefits, job training, career paths, and other benefits
- Company will locate in the Desired Development Zone and adhere to the City's water quality regulations



+ Economic Development Agreement

What are the contractual obligations?

Yingli – Performance Obligations

- Open North American headquarters and manufacturing facility in Austin.
- Invest \$19.85 million in leasehold improvements and business personal property.
- Create and maintain 303 jobs.
- Work with local minority chambers of commerce to expand pool of diverse candidates in employment recruitment efforts.
- Abide by a supplier diversity policy.
- Comply with the standards and principles of the City's ordinance for minority-owned and women-owned business enterprises ("M/WBE Program Ordinance") in the design and construction of its North American headquarters and manufacturing facilities. This includes soliciting participation in the design and construction of leasehold improvements.
- Comply with all City Code regulations, including applicable water quality regulations

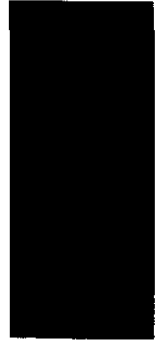
+ Economic Development Agreement

What are the contractual obligations?

City of Austin – Performance Obligations

- Years 1-10: Provide performance-based economic development grants of 80% of actual new incremental real and personal property taxes generated from Yingli's North American Headquarters and manufacturing facility operations, the total value of which is an estimated total of \$354,561.
- The City is not obligated to make a grant payment for any year in which the City has determined that Yingli has failed to fulfill an obligation or condition applicable to Yingli.

+ Next Steps



- Today – The public has the opportunity to comment following this briefing.
- March 8th – Online public comments will be transmitted to City Council.
- March 11th – A public hearing will be conducted followed by a City Council vote.